

TOWN OF BALL, LOUISIANA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

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June 6, 2014

Independent Auditors' Report

To the Honorable Mayor and Board of Aldermen
Town of Ball, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Ball, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Ball, as of December 31, 2013, and the respective changes in financial position, and where applicable cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Ball's basic financial statements. The other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2014, on our consideration of the Town of Ball's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Ball's internal control over financial reporting and compliance.



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June 6, 2014

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Board of Aldermen
Town of Ball, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Ball, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 6, 2014.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Town of Ball's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Town of Ball's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial

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statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

Town of Ball

MANAGEMENT'S DISCUSSION AND ANALYSIS **December 31, 2013**

This section of the Town of Ball's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended December 31, 2013.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Town's assets (including infrastructure acquired after January 1, 2004 and all of the Town's liabilities (including long-term debt).

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including public safety, recreation, public works and general administration are reported as governmental activities. The governmental activities are financed by taxes, license and permit fees, fines and forfeitures, and intergovernmental sources.
- **Business-Type Activities** – Expenses associated with providing sanitation and utility services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with these services are reported as business type activities.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Town's most significant activities and are not intended to provide information for the Town as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Town has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Town's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- **Proprietary Fund** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the Town's utility services. Proprietary fund financial statements typically provide a more detail presentation of the information reported in the business-type activities portion of the government-wide financial statements.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

A comparative analysis of government-wide financial data is presented as follows:

Net Position

A condensed version of the government-wide Statement of Net Position is presented as follows:

Town of Ball

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2013

	For the Year Ended December 31, 2013			For the Year Ended December 31, 2012
	Govern- mental Activities	Business- Type Activities	Total	
<u>Assets:</u>				
Current and Other Assets	\$ 1,508,222	\$ 854,721	\$ 2,362,943	\$ 2,240,018
Capital Assets	1,054,263	7,377,273	8,431,536	8,710,813
Total Assets	<u>2,562,485</u>	<u>8,231,994</u>	<u>10,794,479</u>	<u>10,950,831</u>
<u>Liabilities:</u>				
Current and Other Liabilities	58,094	173,156	231,250	244,207
Long-term Liabilities	89,910	5,367	95,277	61,631
Total Liabilities	<u>148,004</u>	<u>178,523</u>	<u>326,527</u>	<u>305,838</u>
<u>Net Position:</u>				
Invested in Capital Assets (Net)	984,025	7,377,273	8,361,298	8,604,021
Restricted	1,060,856	----	1,060,856	1,022,374
Unrestricted	369,600	676,198	1,045,798	1,018,598
Total Net Position	<u>\$ 2,414,481</u>	<u>\$ 8,053,471</u>	<u>\$ 10,467,952</u>	<u>\$ 10,644,993</u>

As the presentation appearing above demonstrates, the largest portion of the Town's net position (79.9%) is invested in capital assets. Net position invested in capital assets consist of land, buildings, equipment, and infrastructure less any debt used to acquire the assets that remain outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

An additional portion of the net position (10.1%) represents resources that are subject to restrictions that are imposed by agreements with various revenue sources.

The remaining resources (10.0%) are unrestricted and may be used at the Town's discretion.

Changes in Net Position

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:

Town of Ball

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2013

	For the Year Ended December 31, 2013			For the Year Ended December 31, 2012
	Govern- mental Activities	Business- Type Activities	Total	
<u>Revenues:</u>				
Program Revenue:				
Charges for Services	\$ 332,159	\$ 877,502	\$ 1,209,661	\$ 1,145,686
Operating Grants and Contributions	188,764	----	188,764	202,819
Capital Grants and Contributions	----	117,326	117,326	1,500
General Revenue:				
Taxes	1,163,235	46,378	1,209,613	1,145,591
Licenses & Permits	114,548	----	114,548	98,868
Intergovernmental	----	----	----	----
Other	12,888	8,160	21,048	26,901
Total Revenue	<u>1,811,594</u>	<u>1,049,366</u>	<u>2,860,960</u>	<u>2,621,365</u>
<u>Program Expenses:</u>				
General Government	504,541	----	504,541	448,824
Public Safety				
Police Department	651,488	----	651,488	641,999
Fire Department	236,167	----	236,167	269,742
Public Works – Streets	492,004	----	492,004	479,520
Interest on Long-Term Debt	2,164	----	2,164	317
Sanitation	----	332,568	332,568	340,302
Sewer	----	819,069	819,069	794,547
Total Expenses	<u>1,886,364</u>	<u>1,151,637</u>	<u>3,038,001</u>	<u>2,975,251</u>
Increase/(Decrease) in Net Position Before Transfers and Special Items	(74,770)	(102,271)	(177,041)	(353,886)
Transfers	28,135	(28,135)	----	----
Change in Net Position	<u>(46,635)</u>	<u>(130,406)</u>	<u>(177,041)</u>	<u>(353,886)</u>
Net Position Beginning	<u>2,461,116</u>	<u>8,183,877</u>	<u>10,644,993</u>	<u>10,998,879</u>
Net Position Ending	<u>\$ 2,414,481</u>	<u>\$ 8,053,471</u>	<u>\$ 10,467,952</u>	<u>\$ 10,644,993</u>

Governmental activities decreased the Town's net position by \$46,635. The decrease is attributable to using a portion of the Town's reserves to enhance services.

Business-type activities decreased the Town's net position by \$130,406. The decrease is attributable to depreciation on assets purchased with grant funds.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

An analysis of significant matters affecting the Town's funds is presented as follows:

- The Town's governmental fund reported a fund balance of \$1,450,127, which represents an increase of \$3,223.

Town of Ball

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2013

- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

GENERAL FUND BUDGET HIGHLIGHTS

Budgets were amended in order to increase the original revenue projections and appropriations to an amount more closely resembling actual experience.

CAPITAL ASSET ADMINISTRATION

Capital asset activity for the year ended December 31, 2013 is summarized as follows:

	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>Additions:</u>			
Equipment Acquisition	\$ 144,132	\$ 6,897	\$ 151,029
Sewer System Improvements	----	117,326	117,326
Total Additions	144,132	124,223	268,355
Depreciation	(159,249)	(388,384)	(547,633)
Net Increase (Decrease)	(15,117)	(264,161)	(279,278)
Beginning Capital Asset (Net)	1,069,380	7,641,434	8,710,814
Ending Capital Assets (Net)	<u>\$ 1,054,263</u>	<u>\$ 7,377,273</u>	<u>\$ 8,431,536</u>

DEBT ADMINISTRATION

New debt was issued in exchange for 1 Ford 2013 Interceptor Sedan. \$35,138 was borrowed during the current year, and monthly payments will be made in the amount of \$777 until the note matures on March 20, 2017. The interest rate on the loan is 2.950%. \$6,272 was paid back in 2013 on this debt.

Debt activity also included repaying a portion of existing debt totaling \$65,420. The amount repaid represents 61.3% of the balance outstanding at the beginning of the year.

FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS

At the present time, management is not aware of any factors expected to have a significant impact on future operations.

Town of Ball

STATEMENT OF NET POSITION

December 31, 2013

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,220,077	\$ 784,828	\$ 2,004,905
Receivables (net)	247,237	69,793	317,030
Restricted Assets			
Cash and Cash Equivalents	-	100	100
Receivables (net)	-	-	-
Internal balances	40,908	-	40,908
Capital assets			
Non depreciable capital assets	50,000	5,130	55,130
Depreciable capital assets, net	1,004,263	7,372,143	8,376,406
Total assets	2,562,485	8,231,994	10,794,479
<u>LIABILITIES</u>			
Accounts and other payables	58,094	17,541	75,635
Deposits due others	-	109,340	109,340
Internal balances	-	40,908	40,908
Long Term Liabilities			
Compensated Absences	19,672	5,367	25,039
Long-Term Debt			
Due within one year	24,564	-	24,564
Due in more than one year	45,674	-	45,674
Total liabilities	148,004	173,156	321,160
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	984,025	7,377,273	8,361,298
Restricted	1,060,856	-	1,060,856
Unrestricted	369,600	681,565	1,051,165
Total net position (deficit)	\$ 2,414,481	\$ 8,058,838	\$ 10,473,319

The accompanying notes are an integral part of the financial statements.

Town of Ball

STATEMENT OF ACTIVITIES

Year Ended December 31, 2013

		Program Revenues			Net Revenue (Expense)		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
<u>Governmental Activities:</u>							
General Government	\$ 504,541	\$ 10,050	\$ 55,958	\$ -	\$ (438,533)	\$ -	\$ (438,533)
Public Safety							
Police Department	651,488	297,734	44,446	-	(309,308)	-	(309,308)
Fire Department	236,167	10,725	14,860	-	(210,582)	-	(210,582)
Public Works (Highways and Streets)	492,004	13,650	73,500	-	(404,854)	-	(404,854)
Interest on Long-Term Debt	2,164	-	-	-	(2,164)	-	(2,164)
Total Governmental Activities	<u>1,886,364</u>	<u>332,159</u>	<u>188,764</u>	<u>-</u>	<u>(1,365,441)</u>	<u>-</u>	<u>(1,365,441)</u>
<u>Business-Type Activities:</u>							
Sanitation	332,568	368,035	-	-	-	35,467	35,467
Sewer	819,069	509,467	-	117,326	-	(192,276)	(192,276)
Total Business-Type Activities	<u>1,151,637</u>	<u>877,502</u>	<u>-</u>	<u>117,326</u>	<u>-</u>	<u>(156,809)</u>	<u>(156,809)</u>
Total	<u>\$ 3,038,001</u>	<u>\$ 1,209,661</u>	<u>\$ 188,764</u>	<u>\$ 117,326</u>	<u>(1,365,441)</u>	<u>(156,809)</u>	<u>(1,522,250)</u>
<u>General Revenues:</u>							
Taxes:							
Ad Valorem					71,210	-	71,210
Sales					916,379	46,378	962,757
Franchise					175,646	-	175,646
Licenses & Permits					114,548	-	114,548
Other					12,888	8,160	21,048
Transfers					28,135	(28,135)	-
Total General Revenues, Special Items and Transfers					<u>1,318,806</u>	<u>26,403</u>	<u>1,345,209</u>
Change in Net Position					(46,635)	(130,406)	(177,041)
Net Position - Beginning					<u>2,461,116</u>	<u>8,183,877</u>	<u>10,644,993</u>
Net Position - Ending					<u>\$ 2,414,481</u>	<u>\$ 8,053,471</u>	<u>\$ 10,467,952</u>

The accompanying notes are an integral part of the financial statements.

Town of Ball

Balance Sheet

Governmental Funds - December 31, 2013

	<u>General Fund</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 1,220,077
Receivables (net)	247,237
Interfund Receivables	<u>40,907</u>
Total assets	<u>\$ 1,508,221</u>
 <u>Liabilities and Fund Balance</u>	
<u>Liabilities</u>	
Accounts Payable	\$ <u>58,094</u>
Total liabilities	<u>58,094</u>
 <u>Fund Balance</u>	
Restricted For:	
Public Safety - Fire	435,348
Public Safety - Police	63,532
Public Works (Highways and Streets)	561,976
Unassigned	<u>389,271</u>
Total Fund Balances	<u>1,450,127</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,508,221</u>

The accompanying notes are an integral part of the financial statements.

Town of Ball

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position

Year Ended December 31, 2013

Total Fund Balances - Governmental Funds	\$ 1,450,127
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,054,263
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Compensated absences are not due and payable in the current period and therefore they are not reported in the funds.	(19,672)
--	----------

Capital lease obligations do not require a commitment of current financial resources and are excluded from the fund presentation.	<u>(70,237)</u>
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Net Position of Governmental Activities	<u>\$ 2,414,481</u>
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The accompanying notes are an integral part of the financial statements.

Town of Ball

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds - Year Ended December 31, 2013

	<u>General Fund</u>
<u>Revenues:</u>	
Taxes:	
Ad Valorem	\$ 71,210
Sales	916,379
Franchise	175,646
Licenses & Permits	114,548
Charges for Services	36,457
Intergovernmental	169,902
Fines and Forfeitures	295,702
Other	<u>31,749</u>
Total Revenues	<u>1,811,593</u>
<u>Expenditures:</u>	
Current:	
General Government	477,657
Public Safety	
Police Department	594,636
Fire Department	194,764
Public Works (Highways and Streets)	438,221
Capital Expenditures	144,132
Debt Service	<u>22,233</u>
Total Expenditures	<u>1,871,643</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(60,050)</u>
<u>Other Financing Sources (Uses):</u>	
Operating Transfers Out	28,135
Proceeds from Long-Term Debt	<u>35,138</u>
Total Other Financing Sources (Uses)	<u>63,273</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	3,223
Fund Balance (Deficit) - Beginning of Year	<u>1,446,904</u>
Fund Balance (Deficit) - End of Year	<u><u>\$ 1,450,127</u></u>

The accompanying notes are an integral part of the financial statements.

Town of Ball

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Year Ended December 31, 2013

Net change in fund balances of Governmental Funds \$ 3,223

Amounts reported for governmental activities in the statement of
activities are different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of activities the cost of those assets is allocated over
estimated useful lives and reported as depreciation expense.

Capital Expenditures	144,133	
Depreciation	<u>(159,250)</u>	(15,117)

When capital leases are executed, governmental funds report the face value as
an other funding source but the lease obligation is reported as a liability in the
statement of net position. (35,138)

Repayment of capital lease obligations is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the statement of
net position. 20,069

The liability associated with providing comp time benefits is reported when paid
on behalf of employees by governmental funds but is subject to accrual on the
government wide presentation. (19,672)

Change in net position of governmental activities \$ (46,635)

The accompanying notes are an integral part of the financial statements.

Town of Ball

Statement of Net Position

Proprietary Funds - December 31, 2013

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer System	Total
<u>ASSETS:</u>			
Current Assets:			
Cash and cash equivalents	\$ 200,964	\$ 583,864	\$ 784,828
Receivables (net)	28,104	41,689	69,793
Interfund receivables	24,591	-	24,591
Total current assets	253,659	625,553	879,212
Restricted Assets:			
Cash and cash equivalents	-	100	100
Noncurrent Assets:			
Non depreciable capital assets	-	5,130	5,130
Depreciable capital assets, net	111,496	7,260,647	7,372,143
Total assets	365,155	7,891,430	8,256,585
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts and other payables	13,958	8,950	22,908
Deposits due others	40,267	69,073	109,340
Interfund payables	26,156	39,343	65,499
Total current liabilities	80,381	117,366	197,747
Long Term Liabilities			
Compensates Absences	1,910	3,457	5,367
Total liabilities	82,291	120,823	203,114
<u>NET POSITION:</u>			
Invested in capital assets, net of related debt	111,496	7,265,777	7,377,273
Unrestricted	171,368	504,830	676,198
Total net position (deficit)	\$ 282,864	\$ 7,770,607	\$ 8,053,471

The accompanying notes are an integral part of the financial statements.

Town of Ball

Statement of Revenues, Expenditures and Changes in Fund Net Position Proprietary Funds - Year Ended December 31, 2013

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer System	Total
<u>Operating Revenues:</u>			
Service Fees	\$ 365,151	\$ 472,456	\$ 837,607
Other	2,884	37,011	39,895
Total Operating Revenues	<u>368,035</u>	<u>509,467</u>	<u>877,502</u>
<u>Operating Expenses:</u>			
Salaries and Benefits	149,873	194,070	343,943
Insurance	19,581	13,822	33,403
Repairs & Maintenance	21,217	88,295	109,512
Supplies & Chemicals	39,251	20,605	59,856
Utilities	350	113,516	113,866
Depreciation	26,474	361,910	388,384
Disposal Fees	54,620	-	54,620
Other	20,001	24,469	44,470
Total Operating Expenses	<u>331,367</u>	<u>816,687</u>	<u>1,148,054</u>
Operating Income (Loss)	36,668	(307,220)	(270,552)
<u>Nonoperating Revenues (Expenses):</u>			
Taxes	23,189	23,189	46,378
Other Revenue	120	8,040	8,160
Interest Expense	(1,201)	(2,382)	(3,583)
Change in Net Position Before			
Contributions and Transfers	58,776	(278,373)	(219,597)
<u>Contributions and Transfers:</u>			
Capital Contributions	-	117,326	117,326
Operating Transfers In	(68,300)	40,165	(28,135)
Change in net position	(9,524)	(120,882)	(130,406)
Total net position - beginning	<u>292,388</u>	<u>7,891,489</u>	<u>8,183,877</u>
Total net position - ending	<u>\$ 282,864</u>	<u>\$ 7,770,607</u>	<u>\$ 8,053,471</u>

The accompanying notes are an integral part of the financial statements.

Town of Ball

Statement of Cash Flows

Proprietary Funds - Year Ended December 31, 2013

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer System	Total
<u>Cash flow from operating activities:</u>			
Cash received from customers	\$ 369,654	\$ 503,174	\$ 872,828
Cash payments to suppliers of goods and services	(156,353)	(257,144)	(413,497)
Cash payments to employees for services	(149,872)	(194,070)	(343,942)
Net cash provided (used) by operating activities	63,429	51,960	115,389
<u>Cash flows from non-capital financing activities:</u>			
Change in interfund balances	11,546	29,152	40,698
Operating transfers in	(68,300)	40,165	(28,135)
Taxes	23,189	23,189	46,378
Other Non Operating Revenue	120	8,040	8,160
Net cash provided (used) by non-capital financing activities	(33,445)	100,546	67,101
<u>Cash flows from capital and related financing activities:</u>			
Capital expenditures	(869)	(123,355)	(124,224)
Capital grant proceeds	-	118,233	118,233
Principle paid on revenue bonds	(13,838)	(37,785)	(51,623)
Interest paid on debt instruments	(1,201)	(2,382)	(3,583)
Net cash provided (used) by capital and related financing activities	(15,908)	(45,289)	(61,197)
Net increase (decrease) in cash	14,076	107,217	121,293
Beginning cash balance	186,888	476,747	663,635
Ending cash balance	200,964	583,964	784,928
Restricted cash and cash equivalents	-	100	100
Cash and cash equivalents	<u>\$ 200,964</u>	<u>\$ 583,864</u>	<u>\$ 784,828</u>

The accompanying notes are an integral part of the financial statements.

Town of Ball

Statement of Cash Flows (Continued)

Proprietary Funds - Year Ended December 31, 2013

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer System	Total
<u>Reconciliation of operating income (loss)</u>			
<u>to net cash provided (used) by operating</u>			
<u>activities</u>			
Operating income (loss)	\$ 36,668	\$ (307,220)	\$ (270,552)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	26,474	361,910	388,384
(Increase) decrease in accounts receivable	240	(8,908)	(8,668)
(Decrease) increase in accounts and other payables	(1,331)	3,563	2,232
(Decrease) increase in meter deposits	<u>1,378</u>	<u>2,615</u>	<u>3,993</u>
Net cash provided (used) by operating activities	<u>\$ 63,429</u>	<u>\$ 51,960</u>	<u>\$ 115,389</u>

Supplemental disclosures of cash flow information:

During the year ended December 31, 2013, there were no operating, financing, or investing activities during the year that did not result in cash receipts or payments.

Town of Ball

Notes To Financial Statements

December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Ball (the Town) was incorporated under the provisions of the Lawrason Act. The Town is governed by a Mayor and a Board of Alderman consisting of five (5) members. Services provided by the Town include police protection, fire protection, and street maintenance. The Town also operates a sanitation service and a sewer system that are supported by user charges.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

As the municipal governing authority, for reporting purposes, the Town is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Town), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards establish criteria for determining which component units should be considered part of the Town of Ball for financial reporting purposes. The criteria to be considered are presented as follows:

1. Appointing a voting majority of an organization's governing body, and
 - a) The ability of the Town to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on these criteria the presented above, the only potential component unit is the Town's Volunteer Fire Commission. However, based on further consideration, it was determined that the Commission serves in an advisory capacity and does not have sufficient decision making authority to be considered a component unit.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

The government-wide and fund financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

Town of Ball

Notes To Financial Statements

December 31, 2013

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Town as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function and most grants.

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and business-type (enterprise) funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The Town's major funds are described as follows:

Major Governmental Funds

General Fund – The general fund is the primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Major Business-Type Funds

Sanitation Service – Used to account for transactions associated with collecting and disposing of solid waste.

Sewer System – Used to account for sewer collection and treatment, which is supported by user charges.

Business-Type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the funds ongoing operations. Principal operating revenues are charges to customers for sanitation and sewer service.

Basis Of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources
Fiduciary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measure focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end or due under a cost reimbursement arrangement. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial resources measurement focus is used, amounts recorded as

Town of Ball

Notes To Financial Statements

December 31, 2013

assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt is reported as other financing sources and repayment of long-term debt is reported as an expenditure.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted Assets:

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. Whenever restricted assets can be used to satisfy an obligation, the restricted assets are typically consumed before utilizing any unrestricted resources.

Budget Practices:

Budgets including any amendments are prepared in the manner prescribed by Louisiana revised statutes. Town budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles. Budgets are adopted annually for the general fund and each special revenue fund. The remaining funds are not required to adopt budgets.

Capital Assets

Capital assets, which include property, equipment and infrastructure, are reported as assets in the applicable governmental or business-type columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Assets reported in the fund financial statements for governmental funds exclude capital assets. Instead, the governmental funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the Town. Capital assets are depreciated using the straight-line method and estimated useful lives ranging from 4 to 50 years. Useful lives are selected depending on the expected durability of the particular asset.

Cash and Cash Equivalents:

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

Internal Activity:

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded.

In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net internal balance for each type of activity.

Town of Ball

Notes To Financial Statements

December 31, 2013

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 2013, cash and cash equivalents included the following amounts:

	Governmental Activities	Business-Type Activities	Total
Cash Deposited in Banks	\$ 1,219,677	\$ 784,528	\$ 2,004,205
Cash on Hand	400	400	800
Total Cash	1,220,077	784,928	2,005,005
Restricted Cash	----	100	100
Cash and Cash Equivalents	<u>\$ 1,220,077</u>	<u>\$ 784,828</u>	<u>\$ 2,004,905</u>

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2013, the Town has \$2,004,205 in deposits (\$2,061,468 collected bank balance). These deposits are secured from risk by \$956,104 of federal deposit insurance and \$2,746,357 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized, state law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable for the year ended December 31, 2013 are summarized as follows:

	Governmental Activities	Business-Type Activities	Total
<u>Accounts Receivable</u>			
Charges for Services	\$ ----	\$ 80,158	\$ 80,158
Ad Valorem Taxes Receivable	21,476	----	21,476
Franchise Taxes	63,474	----	63,474
Allowance for Doubtful Accounts	----	(17,970)	(17,970)
Total Accounts Receivable	<u>84,950</u>	<u>62,188</u>	<u>147,138</u>
<u>Due From Other Governmental Units</u>			
Sales Taxes	162,287	7,605	169,892
Grant Reimbursement	----	----	----
Total Due From Other Governments	<u>162,287</u>	<u>7,605</u>	<u>169,892</u>
Total Receivables	<u>\$ 247,237</u>	<u>\$ 69,793</u>	<u>\$ 317,030</u>

NOTE 4 - CAPITAL ASSETS

Changes in governmental and business-type capital assets are presented as follows:

Town of Ball

Notes To Financial Statements

December 31, 2013

Non Depreciable Capital Assets				
	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental Activities</u>				
Land	\$ 50,000	\$ ----	\$ ----	\$ 50,000
Down Payment – Senior Van	9,275	37,096	46,371	----
Total Governmental Activities	<u>\$ 59,275</u>	<u>\$ 37,096</u>	<u>\$ 46,371</u>	<u>\$ 50,000</u>
<u>Business-Type Activities</u>				
Sewer System				
Land	\$ 5,130	\$ ----	\$ ----	\$ 5,130
Construction in Process	11,469	117,326	128,795	----
Total Business-Type Activities	<u>\$ 16,599</u>	<u>\$ 117,326</u>	<u>\$ 128,795</u>	<u>\$ 5,130</u>

Depreciable Capital Assets				
	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental Activities</u>				
Furniture, Fixtures and Equipment	\$ 1,448,938	\$ 153,408	\$ ----	\$ 1,602,346
Buildings and Improvements	1,070,966	----	----	1,070,966
Street Infrastructure	91,009	----	----	91,009
Accumulated Depreciation	(1,600,808)	(159,250)	----	(1,760,058)
Total Governmental Activities	<u>\$ 1,010,105</u>	<u>\$ (5,842)</u>	<u>\$ ----</u>	<u>\$ 1,004,263</u>
<u>Business-Type Activities</u>				
Sewer System				
Furniture, Fixtures and Equipment	\$ 278,735	\$ 6,028	\$ ----	\$ 284,763
Sewer System	13,743,875	128,796	----	13,872,671
Accumulated Depreciation	(6,534,877)	(361,910)	----	(6,896,787)
Total Sewer System	<u>7,487,733</u>	<u>(227,086)</u>	<u>\$ ----</u>	<u>7,260,647</u>
Sanitation Department				
Furniture, Fixtures and Equipment	357,054	869	----	357,923
Buildings and Improvements	13,092	----	----	13,092
Accumulated Depreciation	(233,045)	(26,474)	----	(259,519)
Total Sanitation Department	<u>137,101</u>	<u>(25,605)</u>	<u>----</u>	<u>111,496</u>
Total Business-Type	<u>\$ 7,624,834</u>	<u>\$ (252,691)</u>	<u>\$ ----</u>	<u>\$ 7,372,143</u>

Depreciation expense charged to various functions presented on the statement of activities is presented as follows:

Town of Ball

Notes To Financial Statements

December 31, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Government	\$ 24,533	\$ ----	\$ 24,533
Police Department	45,274	----	45,274
Fire Department	40,860	----	40,860
Streets	48,452	----	48,452
Mayor's Court	131	----	131
Sewer System	----	361,910	361,910
Sanitation	----	26,474	26,474
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Total Depreciation Expense	\$ 159,250	\$ 388,384	\$ 547,634

NOTE 5 – ACCOUNTS AND OTHER PAYABLES

Details related to amounts reported as accounts and other payables are provided as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Payable to Vendors	\$ 34,380	\$ 14,158	\$ 48,538
Accrued Payroll	23,714	8,750	32,464
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Accounts and Other Payables	\$ 58,094	\$ 22,908	\$ 81,002

NOTE 6 - LONG-TERM LIABILITIES

Long-term debt activity during the year ended December 31, 2013 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Lease Obligation	\$ 55,168	\$ 35,138	\$ 20,068	\$ 70,238
<u>Business-Type Activities</u>				
Capital Lease Obligation	13,839	----	13,839	----
Revenue Bonds	37,785	----	37,785	----
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Total Business-Type Activities	51,624	----	51,624	----
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Total Long-term Debts	\$ 106,792	\$ 35,138	\$ 71,692	\$ 70,238

Capital Lease Obligations

The Town has acquired equipment need for operations by executing capital leases. Capital lease obligations outstanding at December 31, 2013 are described as follows:

Town of Ball

Notes To Financial Statements

December 31, 2013

Governmental Activities

\$57,392 lease to purchase 2 Ford 2012 Interceptor Police Sedans payable in 48 monthly installments of \$1,270 beginning November, 2012 and ending October 20, 2016 with interest at a rate of 2.95%	\$ 41,372
\$35,138 lease to purchase 1 Ford 2013 Interceptor Police Sedans payable in 48 monthly installments of \$777 beginning April, 2013 and ending March 20, 2017 with interest at a rate of 2.95%	<u>28,866</u>
Total	70,238
Current Portion	<u>24,564</u>
Long Term Portion	<u>\$ 45,674</u>

Business-Type Activities

\$58,352 lease to purchase a garbage truck payable in 60 monthly installments of \$1,085 beginning March, 2009 and ending February, 2014 with interest at a rate of 4.35%. This lease was successfully paid off early during 2013.	\$ ----
--	---------

Future minimum lease payments associated with the lease obligations described above are presented as follow:

<u>Year Ended December 31st</u>	<u>Governmental Activities</u>
2014	\$ 24,564
2015	24,564
2016	22,024
2017	<u>2,331</u>
Total Minimum Lease Payments	73,483
Amounts Representing Interest	<u>3,245</u>
Present Value of Future Minimum Lease Payments	<u>\$ 70,238</u>

NOTE 7 – TAXES:

Ad Valorem Taxes:

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Rapides Parish. Property taxes are limited to an assessment for general alimony as permitted by State Law. Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed by the Town's General Fund.

Sales Taxes:

Citizens of the Town have permanently approved a 1.5% sales tax and a 0.5% sales tax. The sales taxes are collected by the Parish of Rapides and remitted to the Town on a monthly basis. The sales taxes are deposited in the Town's general fund and allocated to departments as required by dedications imposed by the sales tax propositions. These dedications are summarized as follows:

Town of Ball

Notes To Financial Statements

December 31, 2013

Fire Department	28.75%
Police Department	26.67%
Streets, Recreation and Community Centers	37.08%
General Administration	3.75%
Public Works and Facilities	3.75%
Total	<u>100.00%</u>

The Town is also entitled to receive a portion of a parish-wide sales tax that is shared with other government agencies. The proceeds of this tax is unrestricted. Accordingly, the tax is deposited in the general fund and expended at the Town's discretion.

In addition, the Town receives an allocation of sales taxes collected by the Parish for Road District Number 3. The proceeds of this tax are deposited in the general fund and used exclusive for the Town's Street Department.

NOTE 8- RISK MANAGEMENT

The Town is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town insures against these risks by participation in public entity risk pools that operate as common insurance programs and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 9 – RESTRICTED RESOURCES

Certain funds provided by grants are restricted until expended for purposes that are consistent with restrictions imposed by the grantor.

NOTE 10 – PENSION PLANS

Substantially all Town employees are members of statewide retirement systems. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Information regarding each plan is presented as follows:

Municipal Employees' Retirement System of Louisiana:

Plan Description - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A. All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

Town of Ball

Notes To Financial Statements

December 31, 2013

Funding Policy - Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 18.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the system were equal to the required contributions for the year.

Municipal Police Employees' Retirement System of Louisiana

Plan Description - All full-time police department employees engaged in law enforcement are eligible to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70800-2250, or by calling (225) 929-7411.

Funding Policy - Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate that is currently 41%. The contribution requirements of plan members and the Town is established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the plan were equal to the required contributions for the year.

NOTE 11 – INTERNAL BALANCES

In some cases, the general fund collects funds on behalf of other funds and retains these funds until the resources are needed by the recipient fund. These internal balances are summarized as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental Funds</u>		
General Fund	\$ 40,908	\$ ----
<u>Business Type Funds</u>		
Sewer System	----	(39,343)
Sanitation System	24,591	(26,156)
Total	65,499	(65,499)
Elimination of Interfund Activity	(24,591)	24,591
Government Wide Totals	<u>\$ 40,908</u>	<u>\$ 40,908</u>

Town of Ball

Notes To Financial Statements

December 31, 2013

NOTE 12 - TRANSFERS

Transfers are attributable to providing excess Sanitation Fund resources to other funds, summarized as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds</u>		
General Fund	\$ 28,135	\$ ----
<u>Business Type Funds</u>		
Sewer Fund	40,165	----
Sanitation Fund	----	(68,300)
Total	68,300	(68,300)
Elimination of Internal Activity	(40,165)	40,165
Government Wide Totals	<u>\$ 28,135</u>	<u>\$ 28,135</u>

NOTE 13 – CONTINGENCIES:

Existing conditions that may have financial consequences are referred to as contingencies. Contingencies existing at December 31, 2013 are described as follows:

Litigation

Like most governmental units with extensive and diverse operations, the Town is occasionally named as a defendant in litigation. Based on consultation with Town Attorney, there is the possibility of one case that may not have enough available insurance coverage. Legal counsel was not able to estimate potential financial consequences resulting from the contingency at the present time.

Grant Compliance

The Town receives state and federal assistance through various grant programs. Grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

An investigation by FEMA of assistance received in connection with Hurricane Gustav resulted in the prosecution of several Town Officials. As a result of these prosecutions, the former Mayor, Town Clerk and Police Chief have entered guilty pleas in criminal proceedings. In addition to the criminal prosecutions, it is possible that the Town could be required to repay a portion of the FEMA assistance but potential repayment amounts cannot be estimated at the present time.

NOTE 14 – ON BEHALF PAYMENTS

The State of Louisiana provides supplemental pay for public safety employees that meet certain requirements. Amounts reported as revenue and expenditures by the Police Department in connection with State Supplemental Pay totaled \$42,133.

Town of Ball

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended December 31, 2013

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues	<u>1,660,075</u>	<u>1,725,402</u>	<u>1,811,593</u>	<u>86,191</u>
<u>Expenditures:</u>				
Current:				
General Government	587,149	626,113	477,657	148,456
Public Safety				
Police Department	523,327	588,175	594,636	(6,461)
Fire Department	198,735	250,646	194,764	55,882
Public Works (Highways and Streets)	463,000	455,141	438,221	16,920
Capital Expenditures	-	-	144,132	(144,132)
Debt Service	-	-	22,233	(22,233)
Total Expenditures	<u>1,772,211</u>	<u>1,920,075</u>	<u>1,871,643</u>	<u>48,432</u>
Excess (Deficiency) of Revenue Over Expenditures	(112,136)	(194,673)	(60,050)	134,623
<u>Other Financing Sources (Uses):</u>				
Proceeds from Long-Term Debt	-	-	35,138	35,138
Operating Transfers In (Out)	-	50,399	28,135	(22,264)
Excess (Deficiency) of Revenues and Other Sources				
Over Expenditures and Other Uses	(112,136)	(144,274)	3,223	147,497
Fund Balance (Deficit) - Beginning of Year	<u>1,446,904</u>	<u>1,446,904</u>	<u>1,446,904</u>	<u>-</u>
Fund Balance (Deficit) - End of Year	<u>\$ 1,334,768</u>	<u>\$ 1,302,630</u>	<u>\$ 1,450,127</u>	<u>\$ 147,497</u>

The accompanying notes are an integral part of the financial statements.

Town of Ball

Schedule of Compensation Paid to Board Members For the year ended December 31, 2013

Jonathan Dean	\$ 59,010
Daniel Caldwell	41,823
Melvin Williams	4,762
Willie Bishop	7,600
Chris Covington	7,600
Jerry Giddings	7,600
Genevive Poteet	7,600
Curtis Robertson	7,500
	<hr/>
Total Compensation	<u>\$ 143,495</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF BALL

Summary of Findings and Questioned Cost December 31, 2013

PART I

SUMMARY OF AUDITOR'S RESULTS

- The Independent Auditor's Report on the financial statements for the Town of Ball as of December 31, 2013 and for the year then ended expressed an unqualified opinion.
- No control deficiencies were disclosed during the audit of the financial statements. Accordingly, there were no material weaknesses.
- No instances of noncompliance material to the financial statements of the Town of Ball were disclosed during the audit.

PART II

FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

NOT APPLICABLE

The Town of Ball did not have any findings as of December 31, 2013 and for the year then ended.

PART III

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY OMB CIRCULAR A-133:

NOT APPLICABLE

The Town of Ball did not receive sufficient Federal Awards to require an Audit under OMB Circular A-133.

TOWN OF BALL

Management's Corrective Action Plan

December 31, 2013

SECTION I	
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>FINDINGS</u> <u>There were no findings of this nature.</u>	<u>RESPONSE</u> <u>Due to the absence of findings no response necessary.</u>

SECTION II	
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
<u>FINDINGS</u> <u>There were no findings of this nature.</u>	<u>RESPONSE</u> <u>Due to the absence of findings no response necessary.</u>

SECTION III	
MANAGEMENT LETTER	
<u>FINDINGS</u> <u>There were no findings of this nature.</u>	<u>RESPONSE</u> <u>Due to the absence of findings no response necessary.</u>

TOWN OF BALL

Summary of Prior Year Findings and Questioned Cost December 31, 2013

SECTION I	
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>FINDINGS</u>	<u>RESPONSE</u>
<u>2012-1: Billing Practices</u> The previous administration did not adhere to established rate structures and billing practices for sewer and sanitation customers. In addition to failing to follow established internal controls, departures from the established rates represent a violation of provisions of state law that prohibit political subdivisions from donating things of value to persons, associations, or corporations.	<u>2012-1: Resolved</u> Corrective action has been successfully implemented during 2012 and the billing issues inherited from the previous administration are not expected to have any impact on future audits.
<u>2012-2: Traffic Citation Administration</u> Audit procedures have revealed some weaknesses related to the administration of traffic citations that were initially reported in 2011.	<u>2012-2: Resolved</u> Corrective measures were adopted during 2012 and the matter is not expected to have any impact on future audits.

TOWN OF BALL

Summary of Prior Year Findings and Questioned Cost December 31, 2013

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
<u>FINDINGS</u>	<u>RESPONSE</u>
<u>No Findings of this nature were reported.</u>	<u>No response necessary</u>

SECTION III MANAGEMENT LETTER	
<u>FINDINGS</u>	<u>RESPONSE</u>
<u>No Findings of this nature were reported.</u>	<u>No response necessary</u>